

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

Filing at a Glance

Companies: America First Insurance Company, Peerless Indemnity Insurance Company, Peerless Insurance Company, The Netherlands Insurance Company

| | | |
|--|------------------------------------|--|
| Product Name: Workers Compensation | SERFF Tr Num: LBRM-125757282 | State: Arkansas |
| TOI: 16.0 Workers Compensation | SERFF Status: Closed | State Tr Num: EFT \$50 |
| Sub-TOI: 16.0000 WC Sub-TOI Combinations | Co Tr Num: 2008-02389 | State Status: Fees verified and received |
| Filing Type: Rate/Rule | Co Status: | Reviewer(s): Betty Montesi, Carol Stiffler |
| | Authors: Tammy Blake, Kelly Joslyn | Disposition Date: 08/04/2008 |
| | Date Submitted: 08/01/2008 | Disposition Status: Approved |
| Effective Date Requested (New): 09/01/2008 | | Effective Date (New): 09/01/2008 |
| Effective Date Requested (Renewal): 09/01/2008 | | Effective Date (Renewal): |
| State Filing Description: | | |

General Information

| | |
|---|---------------------------------------|
| Project Name: AR WC Domestic Terrorism - Rate Rule | Status of Filing in Domicile: Pending |
| Project Number: 2008-02389 | Domicile Status Comments: |
| Reference Organization: | Reference Number: |
| Reference Title: | Advisory Org. Circular: |
| Filing Status Changed: 08/04/2008 | |
| State Status Changed: 08/01/2008 | Deemer Date: |
| Corresponding Filing Tracking Number: 2008-02390 | |
| Filing Description: | |
| Effective September 1, 2008 for new and renewal business, we wish to file revisions to our Workers Compensation Program. With this submission we are filing to implement our workers compensation Terrorism and Catastrophe (other than Certified Acts of Terrorism) rates in accordance with the NCCI circular as outlined in the enclosed Actuarial Memorandum. | |
| Enclosed, please find our revised Miscellaneous Values Pages along with the required filing forms. | |

| | | | |
|--------------------------|---|------------------------|---------------------------------|
| SERFF Tracking Number: | LBRM-125757282 | State: | Arkansas |
| First Filing Company: | America First Insurance Company, ... | State Tracking Number: | EFT \$50 |
| Company Tracking Number: | 2008-02389 | | |
| TOI: | 16.0 Workers Compensation | Sub-TOI: | 16.0000 WC Sub-TOI Combinations |
| Product Name: | Workers Compensation | | |
| Project Name/Number: | AR WC Domestic Terrorism - Rate Rule/2008-02389 | | |

Company and Contact

Filing Contact Information

| | |
|------------------------------------|-------------------------------|
| Tammy Blake, State Filings Analyst | tammy.blake@LibertyMutual.com |
| 62 Maple Avenue | (800) 826-6189 [Phone] |
| Keene, NH 03431 | (603) 352-9252[FAX] |

Filing Company Information

| | | |
|---------------------------------|-------------------------|----------------------------------|
| America First Insurance Company | CoCode: 12696 | State of Domicile: New Hampshire |
| 62 Maple Ave. | Group Code: 111 | Company Type: P & C |
| Keene, NH 03431 | Group Name: | State ID Number: |
| (800) 826-6189 ext. [Phone] | FEIN Number: 58-0953149 | |

| | | |
|--------------------------------------|-------------------------|-----------------------------------|
| Peerless Indemnity Insurance Company | CoCode: 18333 | State of Domicile: Illinois |
| 62 Maple Ave. | Group Code: 111 | Company Type: Property & Casualty |
| Keene, NH 03431 | Group Name: | State ID Number: |
| (800) 826-6189 ext. [Phone] | FEIN Number: 13-2919779 | |

| | | |
|-----------------------------|-------------------------|-----------------------------------|
| Peerless Insurance Company | CoCode: 24198 | State of Domicile: New Hampshire |
| 62 Maple Avenue | Group Code: 111 | Company Type: Property & Casualty |
| Keene, NH 03431 | Group Name: | State ID Number: |
| (800) 826-6189 ext. [Phone] | FEIN Number: 02-0177030 | |

| | | |
|-----------------------------------|-------------------------|-----------------------------------|
| The Netherlands Insurance Company | CoCode: 24171 | State of Domicile: New Hampshire |
| 62 Maple Avenue | Group Code: 111 | Company Type: Property & Casualty |
| Keene, NH 03431 | Group Name: | State ID Number: |
| (800) 826-6189 ext. [Phone] | FEIN Number: 02-0342937 | |

Filing Fees

| | |
|---------------|---------|
| Fee Required? | Yes |
| Fee Amount: | \$50.00 |

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |
| Retaliatory? | No | | |
| Fee Explanation: | 50.0 per filing | | |
| Per Company: | No | | |

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|--------------------------------------|---------|----------------|---------------|
| America First Insurance Company | \$50.00 | 08/01/2008 | 21728801 |
| Peerless Indemnity Insurance Company | \$0.00 | 08/01/2008 | |
| Peerless Insurance Company | \$0.00 | 08/01/2008 | |
| The Netherlands Insurance Company | \$0.00 | 08/01/2008 | |

| | | | |
|--------------------------|---|------------------------|---------------------------------|
| SERFF Tracking Number: | LBRM-125757282 | State: | Arkansas |
| First Filing Company: | America First Insurance Company, ... | State Tracking Number: | EFT \$50 |
| Company Tracking Number: | 2008-02389 | | |
| TOI: | 16.0 Workers Compensation | Sub-TOI: | 16.0000 WC Sub-TOI Combinations |
| Product Name: | Workers Compensation | | |
| Project Name/Number: | AR WC Domestic Terrorism - Rate Rule/2008-02389 | | |

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|----------------|------------|----------------|
| Approved | Carol Stiffler | 08/04/2008 | 08/04/2008 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|-------------------|----------------|------------|----------------|------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending | Carol Stiffler | 08/01/2008 | 08/01/2008 | Tammy Blake | 08/04/2008 | 08/04/2008 |
| Industry | | | | | | |
| Response | | | | | | |

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

Disposition

Disposition Date: 08/04/2008

Effective Date (New): 09/01/2008

Effective Date (Renewal):

Status: Approved

Comment:

| Company Name: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Premium: | Maximum % Change (where required): | Minimum % Change (where required): | Overall % Indicated Change: |
|--------------------------------------|-------------------------------|---|---|-----------------|---|---|------------------------------------|
| America First Insurance Company | -1.000% | \$-1,628 | 48 | \$162,794 | 1.000% | 0.000% | 0.000% |
| Peerless Indemnity Insurance Company | -1.000% | \$-356 | 4 | \$35,590 | 1.000% | 0.000% | 0.000% |
| Peerless Insurance Company | -1.000% | \$-2,860 | 60 | \$286,023 | 1.000% | 0.000% | 0.000% |
| The Netherlands Insurance Company | -1.000% | \$-6,444 | 89 | \$64,356 | 1.000% | 0.000% | 0.000% |

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing

0.000%

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

| | |
|--|-----------|
| Overall Percentage Rate Impact For This Filing | 0.000% |
| Effect of Rate Filing-Written Premium Change For This Program | \$-11,288 |
| Effect of Rate Filing - Number of Policyholders Affected | 201 |

SERFF Tracking Number: LBRM-125757282 State: Arkansas

First Filing Company: America First Insurance Company, ... State Tracking Number: EFT \$50

Company Tracking Number: 2008-02389

TOI: 16.0 Workers Compensation Sub-TOI: 16.0000 WC Sub-TOI Combinations

Product Name: Workers Compensation

Project Name/Number: AR WC Domestic Terrorism - Rate Rule/2008-02389

| Item Type | Item Name | Item Status | Public Access |
|---------------------|--|-------------|---------------|
| Supporting Document | Uniform Transmittal Document-Property & Casualty | Approved | Yes |
| Supporting Document | NAIC Loss Cost Filing Document for Workers' Compensation | Approved | Yes |
| Supporting Document | NAIC loss cost data entry document | Approved | Yes |
| Supporting Document | STATE EXHIBIT | Approved | Yes |
| Supporting Document | Cover Letter/Actuarial Memo | Approved | Yes |
| Rate | Rate Rule Schedule | Approved | Yes |
| Rate | Company Rate Pages | Approved | Yes |

SERFF Tracking Number: LBRM-125757282 State: Arkansas
First Filing Company: America First Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: 2008-02389
TOI: 16.0 Workers Compensation Sub-TOI: 16.0000 WC Sub-TOI Combinations
Product Name: Workers Compensation
Project Name/Number: AR WC Domestic Terrorism - Rate Rule/2008-02389

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/01/2008
Submitted Date 08/01/2008
Respond By Date
Dear Tammy Blake,

This will acknowledge receipt of the captioned filing.

Nothing in this filing indicates the NCCI Item Filing number you are trying to adopt. Please note that we do not accept Circular numbers. The Item Filing # is the unique number used to identify a NCCI Item Filing. The circular number is often different from the Item Filing # and there can be multiple Item Filing #s in one circular.

Please feel free to contact me if you have questions.

Sincerely,
Carol Stiffler

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/04/2008
Submitted Date 08/04/2008

Dear Carol Stiffler,

Comments:

Response 1

Comments: WITH THIS SUBMISSION WE ARE ADOPTING THE CHANGES OUTLINED IN ITEM FILING B-1407.

I APOLOGIZE THAT I DID NOT ADDRESS THIS IN MY INITIAL SUBMISSION.

THANK YOU,
TAMMY BLAKE

Changed Items:

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Kelly Joslyn, Tammy Blake

| | | | |
|--------------------------|---|------------------------|---------------------------------|
| SERFF Tracking Number: | LBRM-125757282 | State: | Arkansas |
| First Filing Company: | America First Insurance Company, ... | State Tracking Number: | EFT \$50 |
| Company Tracking Number: | 2008-02389 | | |
| TOI: | 16.0 Workers Compensation | Sub-TOI: | 16.0000 WC Sub-TOI Combinations |
| Product Name: | Workers Compensation | | |
| Project Name/Number: | AR WC Domestic Terrorism - Rate Rule/2008-02389 | | |

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

-6.800%

Effective Date of Last Rate Revision:

09/01/2008

Filing Method of Last Filing:

Prior Approval

Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Premium: | Maximum % Change (where required): | Minimum % Change (where required): |
|--------------------------------------|-----------------------------------|---------------------------|--|---|-----------|--|--|
| America First Insurance Company | 0.000% | -1.000% | \$-1,628 | 48 | \$162,794 | 1.000% | 0.000% |
| Peerless Indemnity Insurance Company | 0.000% | -1.000% | \$-356 | 4 | \$35,590 | 1.000% | 0.000% |
| Peerless Insurance Company | 0.000% | -1.000% | \$-2,860 | 60 | \$286,023 | 1.000% | 0.000% |
| The Netherlands Insurance Company | 0.000% | -1.000% | \$-6,444 | 89 | \$64,356 | 1.000% | 0.000% |

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:

Overall Percentage Rate Impact For This Filing:

Effect of Rate Filing - Written Premium Change For This Program: \$-11,288

Effect of Rate Filing - Number of Policyholders Affected: 201

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

Rate/Rule Schedule

| Review Status: | Exhibit Name: | Rule # or Page #: | Rate Action | Previous State Filing Attachments Number: |
|-----------------------|-----------------------------|--------------------------|--------------------|--|
| Approved | Rate Rule Schedule | | New | ARWC_F779 Filing Schedule_0908.pdf |
| Approved | Company Rate Pages 1 THRU 3 | | New | ARWC_ratepages_misc Values 0908.pdf |

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

| | | | | | | | |
|---|---|--|--|---|---|---|--|
| 1. | This filing transmittal is part of Company Tracking # | | | | | | |
| 2. | This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | | | | | | |
| <input checked="" type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input type="checkbox"/> Rate Neutral (0%) | | | | | | | |
| 3. | Filing Method (Prior Approval, File & Use, Flex Band, etc.) | | | | | | Prior Approval |
| 4a. | Rate Change by Company (As Proposed) | | | | | | |
| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
| Peerless Indemnity Insurance Company | N/A | -1.0% | -\$356 | 4 | \$35,590 | 1.0% | 0.0% |
| America First Insurance Company | N/A | -1.0% | -\$1,628 | 48 | \$162,794 | 1.0% | 0.0% |
| Peerless Insurance Company | N/A | -1.0% | -\$2,860 | 60 | \$286,023 | 1.0% | 0.0% |
| The Netherlands Insurance Company | N/A | -1.0% | -\$6,444 | 89 | \$644,356 | 1.0% | 0.0% |
| 4b. | Rate Change by Company (As Accepted) For State Use Only | | | | | | |
| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
| Peerless Indemnity Insurance Company | | | | | | | |
| America First Insurance Company | | | | | | | |
| Peerless Insurance Company | | | | | | | |
| The Netherlands Insurance Company | | | | | | | |
| Overall Rate Information (Complete for Multiple Company Filings only) | | | | | | | |
| | | COMPANY USE | | STATE USE | | | |
| 5a. | Overall percentage rate indication (when applicable) | N/A | | | | | |
| 5b. | Overall percentage rate impact for this filing | -1.0% | | | | | |
| 5c. | Effect of Rate Filing – Written premium change for this program | -\$11,288 | | | | | |
| 5d. | Effect of Rate Filing – Number of policyholders affected | 201 | | | | | |
| 6. | Overall percentage of last rate revision | -6.8% | | | | | |
| 7. | Effective Date of last rate revision | 9/1/2008 NB & RN | | | | | |
| 8. | Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.) | Prior Approval | | | | | |
| 9. | Rule # or Page # Submitted for Review | Replacement or Withdrawn? | | | | Previous state filing number, if required by state | |
| 01 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | | | | |
| 02 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | | | | |
| 03 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | | | | |

WORKERS COMPENSATION AND EMPLOYERS LIABILITY**Peerless Indemnity Insurance Company****America First Insurance Company****Peerless Insurance Company****The Netherlands Insurance Company****ARKANSAS****Effective 09/01/08 New Business****09/01/08 Renewal Business**

F- Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and Its Extension.

Loss Cost Contains a provision for federal assessment

P- Classification is computed on a per capita basis.

N - This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

| <u>Class Code</u> | <u>Non-Ratable Element Code</u> |
|-------------------|-------------------------------------|
| 4771 | 0771 |
| 7405 | 7445 |
| 7431 | 7453 |

D - Advisory loss cost classification already includes the specific disease loading shown in the table below. See Rule 3-A-7 of Manual Supplement - Treatment of Disease Coverage.

M- Advisory loss cost provides for coverage under Admiralty Law and Federal Employers' Liability ACT (FELA). Provision for the USL & HW assessment is included for those classification under program II USL Act.

E - Advisory loss cost classification already includes the specific disease loading shown in the table below.

X- Refer to special classification phraseology in these pages which is applicable in this state.

Table of Specific Disease Loadings

| Asb = Asbestos | | S = Silica |
|----------------|-----------------|----------------|
| Code No. | Disease Loading | Disease Symbol |
| 0059D | 0.18 | S |
| 0065D | 0.03 | S |
| 0066D | 0.03 | S |
| 0067D | 0.03 | S |
| 1164E | 0.05 | S |
| 1165E | 0.02 | S |
| 1624E | 0.03 | S |
| 1710E | 0.03 | S |
| 1741E | 0.15 | S |
| 1803D | 0.15 | S |
| 1852D | 0.03 | Asb |
| 3081D | 0.03 | S |
| 3082D | 0.03 | S |
| 3085D | 0.03 | S |
| 3175D | 0.02 | S |
| 4024E | 0.01 | S |
| 5058D | 0.02 | S |
| 6251D | 0.04 | S |
| 6252D | 0.02 | S |
| 6260D | 0.02 | S |

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Peerless Indemnity Insurance Company

America First Insurance Company

Peerless Insurance Company

The Netherlands Insurance Company

ARKANSAS

Effective 09/01/08 New Business

09/01/08 Renewal Business

MISCELLANEOUS VALUES**Premium Reduction Percentages** - The following percentages are applicable by deductible amount and hazard group on a per claim basis*:

| Total Losses | | | | | | | |
|-------------------|--------------|-------|-------|-------|-------|------|------|
| Deductible Amount | Hazard Group | | | | | | |
| | A | B | C | D | E | F | G |
| \$1,000 | 8.9% | 7.1% | 6.1% | 5.1% | 4.3% | 3.0% | 2.2% |
| \$1,500 | 10.9% | 8.8% | 7.5% | 6.3% | 5.4% | 3.7% | 2.8% |
| \$2,000 | 12.4% | 10.1% | 8.7% | 7.4% | 6.3% | 4.5% | 3.4% |
| \$2,500 | 13.8% | 11.2% | 9.7% | 8.3% | 7.0% | 5.1% | 3.8% |
| \$3,000 | 15.0% | 12.2% | 10.6% | 9.1% | 7.8% | 5.6% | 4.3% |
| \$3,500 | 16.1% | 13.1% | 11.4% | 9.8% | 8.4% | 6.2% | 4.7% |
| \$4,000 | 17.0% | 14.0% | 12.2% | 10.6% | 9.0% | 6.7% | 5.1% |
| \$4,500 | 18.0% | 14.8% | 12.9% | 11.2% | 9.6% | 7.1% | 5.4% |
| \$5,000 | 18.8% | 15.5% | 13.6% | 11.9% | 10.2% | 7.6% | 5.8% |

| Medical Losses | | | | | | | |
|-------------------|--------------|-------|-------|-------|------|------|------|
| Deductible Amount | Hazard Group | | | | | | |
| | A | B | C | D | E | F | G |
| \$1,000 | 8.7% | 6.9% | 5.9% | 4.9% | 4.1% | 2.8% | 2.1% |
| \$1,500 | 10.4% | 8.4% | 7.1% | 6.0% | 5.1% | 3.5% | 2.6% |
| \$2,000 | 11.8% | 9.5% | 8.2% | 6.9% | 5.8% | 4.1% | 3.1% |
| \$2,500 | 12.9% | 10.4% | 9.0% | 7.6% | 6.5% | 4.6% | 3.4% |
| \$3,000 | 13.8% | 11.3% | 9.8% | 8.3% | 7.0% | 5.0% | 3.8% |
| \$3,500 | 14.6% | 12.0% | 10.4% | 8.9% | 7.6% | 5.4% | 4.1% |
| \$4,000 | 15.5% | 12.6% | 11.0% | 9.4% | 8.0% | 5.8% | 4.4% |
| \$4,500 | 16.2% | 13.3% | 11.5% | 10.0% | 8.5% | 6.2% | 4.7% |
| \$5,000 | 16.8% | 13.8% | 12.0% | 10.4% | 8.9% | 6.5% | 4.9% |

| Indemnity Losses | | | | | | | |
|-------------------|--------------|------|------|------|------|------|------|
| Deductible Amount | Hazard Group | | | | | | |
| | A | B | C | D | E | F | G |
| \$1,000 | 1.9% | 1.4% | 1.3% | 1.2% | 1.1% | 0.9% | 0.7% |
| \$1,500 | 2.5% | 2.0% | 1.9% | 1.7% | 1.5% | 1.3% | 1.0% |
| \$2,000 | 3.2% | 2.5% | 2.3% | 2.2% | 1.9% | 1.6% | 1.2% |
| \$2,500 | 3.7% | 3.0% | 2.7% | 2.6% | 2.3% | 1.9% | 1.4% |
| \$3,000 | 4.3% | 3.4% | 3.2% | 3.0% | 2.6% | 2.2% | 1.6% |
| \$3,500 | 4.7% | 3.8% | 3.6% | 3.3% | 3.0% | 2.5% | 1.9% |
| \$4,000 | 5.2% | 4.3% | 3.9% | 3.6% | 3.2% | 2.7% | 2.1% |
| \$4,500 | 5.6% | 4.6% | 4.3% | 3.9% | 3.5% | 3.0% | 2.3% |
| \$5,000 | 6.0% | 4.9% | 4.5% | 4.3% | 3.8% | 3.2% | 2.5% |

Basis of Premium applicable in accordance with the footnote instructions for Code 7370 -- "Taxicab Co.":

Employee operated vehicles \$48,893.00

Leased or rented vehicles \$32,595.00

7420- "Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew"

Maximum payroll per week per employee..... \$750.00

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11 \$180.00

Maximum Minimum Premium \$850.00

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Peerless Indemnity Insurance Company

America First Insurance Company

Peerless Insurance Company

The Netherlands Insurance Company

ARKANSAS**Effective 09/01/08 New Business****09/01/08 Renewal Business**

Maximum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers" and the footnote instructions for Code 9178 -- "Athletic Team": Non-Contact Sports," Code 9179 -- "Athletic Team: Contact Sports: and Code 9186 -- "Carnival -- Traveling" \$2,500.00

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1
"Executive Officers." \$300.00

Per Passenger Seat Surcharge - In accordance with the footnote instructions for Classification Code 7421, the surcharge is

| | |
|--------------------------------------|------------|
| Maximum surcharge per aircraft. | \$1,000.00 |
| Per passenger seat | \$100.00 |

Premium Determination for Partners and Sole Proprietors in accordance with Basic Manual Rule 2-E-3 \$31,900.00

Premium Discount Percentages -- (See Basic Manual 3-A-19-a). The following premium discounts are applicable to Standard Premiums:

| | | | |
|-------|-----------|-----|--------|
| | | | Type B |
| First | \$5,000 | -- | -- |
| Next | \$95,000 | "a" | 10.9% |
| Next | \$400,000 | "b" | 12.6% |
| Over | \$500,000 | "c" | 14.4% |

Terrorism

| | |
|--|--------|
| Peerless Indemnity Insurance Company. | \$0.02 |
| America First Insurance Company. | \$0.02 |
| Peerless Insurance Company. | \$0.02 |
| The Netherlands Insurance Company. | \$0.01 |

Catastrophe (Other than Certified Acts of Terrorism)

| | |
|--|---------|
| Peerless Indemnity Insurance Company. | \$0.023 |
| America First Insurance Company. | \$0.021 |
| Peerless Insurance Company. | \$0.016 |
| The Netherlands Insurance Company. | \$0.014 |

United States Longshore and Harbor Workers' Compensation Coverage Percentage
applicable only in connection with Basic Manual Rule 3-A-4. 86%

(Multiply a Non-"F" classification rate by a factor of 1.86 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and the adjustment for differences in loss-based expenses (1.116).)

Attach Foreign Voluntary Compensation Endorsement 25-201 to extend coverage in the basic workers compensation policy to employees who are injured while temporarily outside the U.S., its territories, possessions or Canada while on business for the insured. Premium is **\$10** per employee per each day out of the country.

EXPERIENCE RATING ELIGIBILITY

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state.

SERFF Tracking Number: LBRM-125757282 State: Arkansas
First Filing Company: America First Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: 2008-02389
TOI: 16.0 Workers Compensation Sub-TOI: 16.0000 WC Sub-TOI Combinations
Product Name: Workers Compensation
Project Name/Number: AR WC Domestic Terrorism - Rate Rule/2008-02389

Supporting Document Schedules

| | | | | |
|-------------------------|--|-----------------------|----------|------------|
| Satisfied -Name: | Uniform Transmittal Document-Property & Casualty | Review Status: | Approved | 08/04/2008 |
|-------------------------|--|-----------------------|----------|------------|

Comments:

ATTACHED

Attachment:

P&C RR.pdf

| | | | | |
|-------------------------|--|-----------------------|----------|------------|
| Satisfied -Name: | NAIC Loss Cost Filing Document for Workers' Compensation | Review Status: | Approved | 08/04/2008 |
|-------------------------|--|-----------------------|----------|------------|

Comments:

ATTACHED

Attachments:

ARWC_Form F909_0908_AMF.pdf

ARWC_Form F909_0908_NIC.pdf

ARWC_Form F909_0908_PIC.pdf

ARWC_Form F909_0908_PII.pdf

| | | | | |
|-------------------------|------------------------------------|-----------------------|----------|------------|
| Satisfied -Name: | NAIC loss cost data entry document | Review Status: | Approved | 08/04/2008 |
|-------------------------|------------------------------------|-----------------------|----------|------------|

Comments:

ATTACHED

Attachments:

ARWC_Form F504_0908_AMF.pdf

ARWC_Form F504_0908_NIC.pdf

ARWC_Form F504_0908_PIC.pdf

ARWC_Form F504_0908_PII.pdf

| | | | | |
|-------------------------|---------------|-----------------------|----------|------------|
| Satisfied -Name: | STATE EXHIBIT | Review Status: | Approved | 08/04/2008 |
|-------------------------|---------------|-----------------------|----------|------------|

Comments:

ATTACHED

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

Attachments:

AR_WC_StateX_2007_AFIC.pdf
AR_WC_StateX_2007_NIC.pdf
AR_WC_StateX_2007_PIC.pdf
AR_WC_StateX_2007_PII.pdf

| | | | |
|---------------------------------|--|-------------------------------|--|
| <i>SERFF Tracking Number:</i> | <i>LBRM-125757282</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>First Filing Company:</i> | <i>America First Insurance Company, ...</i> | <i>State Tracking Number:</i> | <i>EFT \$50</i> |
| <i>Company Tracking Number:</i> | <i>2008-02389</i> | | |
| <i>TOI:</i> | <i>16.0 Workers Compensation</i> | <i>Sub-TOI:</i> | <i>16.0000 WC Sub-TOI Combinations</i> |
| <i>Product Name:</i> | <i>Workers Compensation</i> | | |
| <i>Project Name/Number:</i> | <i>AR WC Domestic Terrorism - Rate Rule/2008-02389</i> | | |

| | | | |
|---------------------------|-----------------------------|-----------------------|------------|
| Satisfied -Name: | Cover Letter/Actuarial Memo | Review Status: | |
| Comments: | | Approved | 08/04/2008 |
| Attached | | | |
| Attachments: | | | |
| 2008-02389.trb.pdf | | | |
| ARWC_Filing Memo_0908.pdf | | | |

Property & Casualty Transmittal Document

| | | |
|---|---|--|
| 1. Reserved for Insurance Dept. Use Only | 2. Insurance Department Use only | |
| | a. Date the filing is received: | |
| | b. Analyst: | |
| | c. Disposition: | |
| | d. Date of disposition of the filing: | |
| | e. Effective date of filing: | |
| | New Business | |
| | Renewal Business | |
| | f. State Filing #: | |
| | g. SERFF Filing #: | |
| h. Subject Codes | | |

| | |
|-------------------------------|---------------------|
| 3. Group Name | Group NAIC # |
| Liberty Mutual Agency Markets | 111 |

| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # |
|--------------------------------------|----------|--------|--------|---------|
| Peerless Insurance Company | NH | 24198 | | |
| The Netherlands Insurance Company | NH | 24171 | | |
| America First Insurance Company | NH | 12696 | | |
| Peerless Indemnity Insurance Company | NH | 18333 | | |
| | | | | |
| | | | | |
| | | | | |

| | |
|-----------------------------------|-------------------|
| 5. Company Tracking Number | 2008-02389 |
|-----------------------------------|-------------------|

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

| 6. Name and address | Title | Telephone #s | FAX # | e-mail |
|--|---|--------------|--------------|-----------------------------------|
| Tammy Blake 62 Maple Avenue Keene NH 03431 | Sr. Analyst, Regulatory Filing AM | 603-358-4520 | 603-352-9252 | tammy.blake@ libertymutual.com |
| | | | | |

| | |
|---|-------------|
| 7. Signature of authorized filer | |
| 8. Please print name of authorized filer | Tammy Blake |

Filing information (see General Instructions for descriptions of these fields)

| | |
|--|--|
| 9. Type of Insurance (TOI) | Workers Compensation |
| 10. Sub-Type of Insurance (Sub-TOI) | Workers Compensation |
| 11. State Specific Product code(s) (if applicable)[See State Specific Requirements] | |
| 12. Company Program Title (Marketing title) | Workers Compensation |
| 13. Filing Type | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |
| 14. Effective Date(s) Requested | New: 9/1/08 Renewal: 9/1/08 |
| 15. Reference Filing? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 16. Reference Organization (if applicable) | NCCI |
| 17. Reference Organization # & Title | CIF-2008-05 |

| | |
|---|------------|
| 20. This filing transmittal is part of Company Tracking # | 2008-02389 |
|---|------------|

| |
|--|
| 21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text] |
|--|

Effective September 1, 2008 for new and renewal business we wish to adopt Circular CIF-2008-05 for changes related to Domestic Terrorism.

| | | |
|-----|---|--|
| 22. | Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below] | |
|-----|---|--|

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

Effective March 1, 2007

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

| | |
|---|--|
| This filing transmittal is part of Company Tracking # | |
| This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | |

- ☒ **Loss Cost Reference Filing** CIF-2008-07 ☐ **Independent Rate Filing**
(Advisory Org, & Reference filing #) NCCI

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

- ☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

Note: Some states have statutes that prohibit this option for some lines of business.

- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? yes

If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)

- ☐ Without Modification (factor = 1.000)
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) See Actuarial Memorandum

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.827

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.

(Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)

PROJECTED EXPENSES: Compared to standard premium at company rates.

| | | | Selected Provisions | |
|--|--|---|---------------------|---|
| | A. | Total Production Expense | 12.0 | % |
| | B. | General Expense | 5.8 | % |
| | C. | Taxes, Licenses & Fee | 6.2 | % |
| | D. | Underwriting profit & contingencies* | 2.5% | % |
| | E. | Other (explain) | -13.5 | % |
| | F. | Total | 13 | % |
| | * Explain how investment income is taken into account See Attached Exhibit | | | |

| | | | |
|-----------|-----------|---|------|
| 5. | A. | Expected Loss Ratio: ELR = 100% - 4F = | 87 |
| | B. | ELR in Decimal Form = | .870 |

NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

| | | |
|----|--|-------|
| 6. | Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023) | 1.000 |
| 7. | Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914) | 1.000 |
| 8. | Company Formula Loss Cost Multiplier [3B / ((7 – 4F) X 6)] | 2.100 |
| 9. | Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7) | 2.100 |

- | | | | |
|-----|---|--------------------------|-------------------------------------|
| | | Yes | No |
| 10. | Are you amending your minimum premium formula? | | |
| | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. | Are you changing your premium discount schedules? | | |
| | If yes, attach schedules and support, detailing premium or rate level changes. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

| | |
|---|--|
| This filing transmittal is part of Company Tracking # | |
| This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | |

- ☒ **Loss Cost Reference Filing** CIF-2008-07 ☐ **Independent Rate Filing**
(Advisory Org, & Reference filing #) NCCI

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1. Check one of the following:

- ☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

Note: Some states have statutes that prohibit this option for some lines of business.

- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? yes

If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)

- ☐ Without Modification (factor = 1.000)
☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) See Actuarial Memorandum

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.175

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.

(Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)

PROJECTED EXPENSES: Compared to standard premium at company rates.

| | | Selected Provisions | |
|--|--|---------------------|---|
| | A. Total Production Expense | 12% | % |
| | B. General Expense | 5.8% | % |
| | C. Taxes, Licenses & Fee | 6.2% | % |
| | D. Underwriting profit & contingencies* | 2.5% | % |
| | E. Other (explain) | -13.5% | % |
| | F. Total | 13% | % |
| | * Explain how investment income is taken into account See Attached Exhibit | | |

| | | |
|-----------|--|-------|
| 5. | A. Expected Loss Ratio: ELR = 100% - 4F = | 87.0% |
| | B. ELR in Decimal Form = | .870 |

NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

| | | |
|----|--|-------|
| 6. | Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023) | 1.000 |
| 7. | Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914) | 1.000 |
| 8. | Company Formula Loss Cost Multiplier [3B / ((7 – 4F) X 6)] | 1.350 |
| 9. | Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7) | 1.350 |

- | | | Yes | No |
|-----|---|--------------------------|-------------------------------------|
| 10. | Are you amending your minimum premium formula? | | |
| | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. | Are you changing your premium discount schedules? | | |
| | If yes, attach schedules and support, detailing premium or rate level changes. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

| | |
|---|--|
| This filing transmittal is part of Company Tracking # | |
| This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | |

☒ **Loss Cost Reference Filing** CIF-2008-07 ☐ **Independent Rate Filing**

(Advisory Org, & Reference filing #) NCCI

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1. Check one of the following:

- ☒ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

Note: Some states have statutes that prohibit this option for some lines of business.

- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? yes

If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:

(Check One)

- ☐ Without Modification (factor = 1.000)
- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) See Actuarial Memorandum

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.392

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.

(Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)

PROJECTED EXPENSES: Compared to standard premium at company rates.

| | | Selected Provisions | |
|--|--|---------------------|---|
| | A. Total Production Expense | 12.0% | % |
| | B. General Expense | 5.8% | % |
| | C. Taxes, Licenses & Fee | 6.2% | % |
| | D. Underwriting profit & contingencies* | 2.5% | % |
| | E. Other (explain) | -13.5% | % |
| | F. Total | 13.0% | % |
| | * Explain how investment income is taken into account See Attached Exhibit | | |

| | | |
|-----------|--|-------|
| 5. | A. Expected Loss Ratio: $ELR = 100\% - 4F =$ | 87.0% |
| | B. ELR in Decimal Form = | .870 |

NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

| | | |
|----|--|-------|
| 6. | Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023) | 1.000 |
| 7. | Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914) | 1.000 |
| 8. | Company Formula Loss Cost Multiplier [3B / ((7 – 4F) X 6)] | 1.600 |
| 9. | Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7) | 1.600 |

- | | | Yes | No |
|-----|---|--------------------------|-------------------------------------|
| 10. | Are you amending your minimum premium formula? | | |
| | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. | Are you changing your premium discount schedules? | | |
| | If yes, attach schedules and support, detailing premium or rate level changes. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

FORM RF-WC NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

| | |
|---|--|
| This filing transmittal is part of Company Tracking # | |
| This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | |

☒ **Loss Cost Reference Filing** CIF-2008-07 ☐ **Independent Rate Filing**

(Advisory Org, & Reference filing #) NCCI

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

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Note: Some states have statutes that prohibit this option for some lines of business.

- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? yes

If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:

(Check One)

- ☐ Without Modification (factor = 1.000)
- ☒ With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) See Actuarial Memorandum

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 2.001

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.

(Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)

PROJECTED EXPENSES: Compared to standard premium at company rates.

| | | Selected Provisions | |
|--|--|---------------------|---|
| | A. Total Production Expense | 12.0% | % |
| | B. General Expense | 5.8% | % |
| | C. Taxes, Licenses & Fee | 6.2% | % |
| | D. Underwriting profit & contingencies* | 2.5% | % |
| | E. Other (explain) | -13.5% | % |
| | F. Total | 13.0% | % |
| | * Explain how investment income is taken into account See Attached Exhibit | | |

| | | |
|-----------|--|-------|
| 5. | A. Expected Loss Ratio: $ELR = 100\% - 4F =$ | 87.0% |
| | B. ELR in Decimal Form = | .870 |

NAIC LOSS COST FILING DOCUMENT—FOR WORKERS' COMPENSATION

| | | |
|----|--|-------|
| 6. | Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023) | 1.000 |
| 7. | Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914) | 1.000 |
| 8. | Company Formula Loss Cost Multiplier [3B / ((7 – 4F) X 6)] | 2.300 |
| 9. | Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7) | 2.300 |

- | | | Yes | No |
|-----|---|--------------------------|-------------------------------------|
| 10. | Are you amending your minimum premium formula? | | |
| | If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. | Are you changing your premium discount schedules? | | |
| | If yes, attach schedules and support, detailing premium or rate level changes. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: America First Insurance Company
 NAIC Number: 12696
 Name of Advisory Organization Whose Filing You are Referencing NCCI
 Co. Affiliation to Advisory Organization: Member X Subscriber _____ Service Purchaser _____
 Reference Filing #: CIF-2008-07 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake
 Signature: _____
 Telephone No: 603-358-4520

| (1) LINE OF INSURANCE By Coverage | (2) Indicated % Rate Level Change | (3) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---|--|--|-------------------------------|--|--|---|---|
| | | | (4) Expected Loss Ratio | (5) Loss Cost Modification Factor | (6) Selected Loss Cost Multiplier | (7) Expense Constant (If Applicable) | (8) Co. Current Loss Cost Multiplier |
| Workers' Compensation | N/A | -1.0% | 87% | 1.827 | 2.100 | | 2.000 |
| TOTAL OVERALL EFFECT | | | | | | | |

Y Apply Lost Cost Factors to Future Filings? (Y or N)
0% Estimated Maximum Rate Increase for any Arkansas Insured (%)
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

| | | | | | | | | Selected Provisions | |
|------|--------------|---------------------|-----------|----------------------------|--------------------------|------------------------|---------------------------|---|--------|
| | | Rate Change History | | 5 Year History | Incurred Losses (000) | Arkansas Loss Ratio | Countrywide Loss Ratio | | |
| Year | Policy Count | % | Eff. Date | AR Earned Premium (000) | | | | | |
| 2008 | 48 | 0.4% | 9/1/08 | 163 | 11 | 6.17% | -33% | A. Total Production Expense | 12% |
| 2006 | 44 | -23.6% | 7/1/06 | 192 | 90 | 47.0% | 87.7% | B. General Expense | 5.8% |
| 2005 | 41 | 1.3% | 5/1/06 | 217 | 118 | 54.4% | 33.4% | C. Taxes, License & Fees | 6.2% |
| 2004 | 40 | 4.4% | 3/1/05 | 196 | 14 | 7.45% | 35.7% | D. Underwriting Profit & Contingencies | 2.5% |
| 2003 | 33 | 10.1% | 3/1/04 | 46 | 69 | 149.2% | 49.3% | E. Other (explain) | -13.5% |
| | | | | | | | | F. TOTAL | 13% |

ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: The Netherlands Insurance Company
 NAIC Number: 24171
 Name of Advisory Organization Whose Filing You are Referencing NCCI
 Co. Affiliation to Advisory Organization: Member X Subscriber _____ Service Purchaser _____
 Reference Filing #: CIF-2008-07 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake
 Signature: _____
 Telephone No: 603-358-4520

| (1) LINE OF INSURANCE By Coverage | (2) Indicated % Rate Level Change | (3) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---|--|--|-------------------------------|--|--|---|---|
| | | | (4) Expected Loss Ratio | (5) Loss Cost Modification Factor | (6) Selected Loss Cost Multiplier | (7) Expense Constant (If Applicable) | (8) Co. Current Loss Cost Multiplier |
| Workers' Compensation | N/A | -1.0% | 87.0% | 1.175 | 1.350 | | 1.350 |
| TOTAL OVERALL EFFECT | | | | | | | |

y Apply Lost Cost Factors to Future Filings? (Y or N)
0% Estimated Maximum Rate Increase for any Arkansas Insured (%)
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

| | | | | | | | | Selected Provisions | |
|---------------------|--------------|-------|-----------|----------------------------|--------------------------|------------------------|---------------------------|---|--------|
| Rate Change History | | | | 5 Year History | | | | | |
| Year | Policy Count | % | Eff. Date | AR Earned Premium (000) | Incurred Losses (000) | Arkansas Loss Ratio | Countrywide Loss Ratio | A. Total Production Expense | 12.0% |
| 2008 | 89 | -6.5% | 9/1/08 | 644 | 2,448 | 341.7% | 58% | B. General Expense | 5.8% |
| 2006 | 70 | -23.6 | 7/1/06 | 457 | 202 | 44.1% | 76.2% | C. Taxes, License & Fees | 6.2% |
| 2005 | 39 | 1.3% | 5/1/06 | 318 | 184 | 57.9% | 61.6% | D. Underwriting Profit & Contingencies | 2.5% |
| 2004 | 21 | 4.4% | 3/1/05 | 134 | 41 | 31.0% | 66.0% | E. Other (explain) | -13.5% |
| 2003 | 0 | 10.1% | 3/1/04 | 0 | 0 | 0.0% | 110.3% | 110.1% | F. |

ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: Peerless Insurance Company
 NAIC Number: 24198
 Name of Advisory Organization Whose Filing You are Referencing NCCI
 Co. Affiliation to Advisory Organization: Member X Subscriber _____ Service Purchaser _____
 Reference Filing #: CIF-2008-07 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake
 Signature: _____
 Telephone No: 603-358-4520

| (1) LINE OF INSURANCE By Coverage | (2) Indicated % Rate Level Change | (3) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---|--|--|-------------------------------|--|--|---|---|
| | | | (4) Expected Loss Ratio | (5) Loss Cost Modification Factor | (6) Selected Loss Cost Multiplier | (7) Expense Constant (If Applicable) | (8) Co. Current Loss Cost Multiplier |
| Workers' Compensation | N/A | -1.0% | 87.0% | 1.392 | 1.600 | | 1.600 |
| TOTAL OVERALL EFFECT | | | | | | | |

y Apply Lost Cost Factors to Future Filings? (Y or N)
0% Estimated Maximum Rate Increase for any Arkansas Insured (%)
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

| | | | | | | | | Selected Provisions | |
|---------------------|--------------|--------|-----------|----------------------------|--------------------------|------------------------|---------------------------|---|--------|
| Rate Change History | | | | 5 Year History | | | | | |
| Year | Policy Count | % | Eff. Date | AR Earned Premium (000) | Incurred Losses (000) | Arkansas Loss Ratio | Countrywide Loss Ratio | A. Total Production Expense | 12.0% |
| 2008 | 60 | -9.1% | 9/1/08 | 286 | 187 | 59.5% | 61.0% | B. General Expense | 5.8% |
| 2006 | 55 | -23.6% | 7/1/06 | 294 | 111 | 37.8% | 13.9% | C. Taxes, License & Fees | 6.2% |
| 2005 | 52 | 1.3% | 5/1/06 | 322 | 160 | 49.7% | 57.7% | D. Underwriting Profit & Contingencies | 2.5% |
| 2004 | 35 | 4.4% | 3/1/05 | 284 | 199 | 70.1% | 58.2% | E. Other (explain) | -13.5% |
| 2003 | 28 | 10.1% | 3/1/04 | 63 | 40 | 63.0% | 57.2% | F. TOTAL | 13.0% |

ARKANSAS INSURANCE DEPARTMENT RATE FILING ABSTRACT

Form RF-1

Rev. 4/96

Insurer Name: Peerless Indemnity Insurance Company
 NAIC Number: 18333
 Name of Advisory Organization Whose Filing You are Referencing NCCI
 Co. Affiliation to Advisory Organization: Member X Subscriber _____ Service Purchaser _____
 Reference Filing #: CIF-2008-07 Proposed Effective Date: 09/01/2008

Contact Person: Tammy R. Blake
 Signature: _____
 Telephone No: 603-358-4520

| (1) LINE OF INSURANCE By Coverage | (2) Indicated % Rate Level Change | (3) Requested % Rate Level Change | FOR LOSS COSTS ONLY | | | | |
|---|--|--|-------------------------------|--|--|---|---|
| | | | (4) Expected Loss Ratio | (5) Loss Cost Modification Factor | (6) Selected Loss Cost Multiplier | (7) Expense Constant (If Applicable) | (8) Co. Current Loss Cost Multiplier |
| Workers' Compensation | N/A | -1.0% | 87.0% | 2.001 | 2.300 | | 2.300 |
| TOTAL OVERALL EFFECT | | | | | | | |

y Apply Lost Cost Factors to Future Filings? (Y or N)
0% Estimated Maximum Rate Increase for any Arkansas Insured (%)
-1.0% Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

| | | | | | | | | Selected Provisions | |
|------|--------------|---------------------|-----------|----------------------------|--------------------------|------------------------|---------------------------|---|--------|
| | | Rate Change History | | 5 Year History | Incurred Losses (000) | Arkansas Loss Ratio | Countrywide Loss Ratio | | |
| Year | Policy Count | % | Eff. Date | AR Earned Premium (000) | | | | | |
| 2008 | 4 | -24.2% | 9/1/08 | 36 | 29 | 82.5% | 34% | A. Total Production Expense | 12.0% |
| 2006 | 1 | -23.6% | 7/1/06 | .744 | -.05 | -6.7% | 123.1% | B. General Expense | 5.8% |
| 2005 | 0 | 1.3% | 5/1/06 | 1,284 | .05 | 3.9% | -23.7% | C. Taxes, License & Fees | 6.2% |
| 2004 | 0 | 4.4% | 3/1/05 | 0 | 0 | 0.0% | -27.2% | D. Underwriting Profit & Contingencies | 2.5% |
| 2003 | 0 | 10.1% | 3/1/04 | 0 | 0 | 0.0% | 0.0% | E. Other (explain) | -13.5% |
| | | | | | | | | F. TOTAL | 13.0% |

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM AND LOSS RESERVES

Year: 2007
State: Arkansas
Line of Business: Workers' Compensation
Company: America First Insurance Company

A. UNEARNED PREMIUM RESERVE

| | |
|--|-------------|
| 1. Direct Premiums Earned For Calendar Year Ended December 31, 2007 (Page 14, Col 2) | 9,723,581 |
| 2. Mean Unearned Premium Reserve | |
| a. 2007 Earned Premium (Annual Statement Page 6, Col 4) | 721,713,000 |
| b. Unearned Premium Reserve As Of December 31, 2007 (Annual Statement Page 7, Col 5) | 217,366,000 |
| c. Unearned Premium Reserve As Of December 31, 2006 (Annual Statement Page 7, Col 5) | 193,568,000 |
| d. Mean Unearned Premium Reserve $\{[(A.2.b)+(A.2.c)]/2\}$ | 205,467,000 |
| e. Ratio To Earned Premium $[(A.2.d)/(A.2.a)]$ | 0.285 |
| f. Distributed Unearned Premium Reserve $[(A.2.e)*(A.1)]$ | 2,768,240 |
| 3. Percentage Total of Prepaid Expense (2007 Insurance Expense Exhibit) | |
| a. Commission And Brokerage | 4.5% |
| b. Taxes, Licenses And Fees | 6.2% |
| c. 50% Of Other Acquisition | 3.6% |
| d. 50% Of General Expense | 2.9% |
| e. Total | 17.2% |
| 4. Deduction for Federal Taxes Payable | 0.0% |
| 5. Dollar Total Of Prepaid Expense $\{(A.2.f)*[(A.3.e)+(A.4)]\}$ | 476,137 |
| 6. Subject To Investment $[(A.2.f)-(A.5)]$ | 2,292,103 |

B. DELAYED REMISSION OF PREMIUMS

| | Previous Year | Current Year |
|--|---------------|---------------|
| 1. Uncollected, In Course Of Collection (Annual Statement Page 2, Ln 12.1) | 241,592,000 | 174,916,000 |
| 2. Uncollected, Booked But Not Yet Due (Annual Statement Page 2, Ln 12.2) | 942,878,000 | 996,690,000 |
| 3. Total Uncollected Premiums $[(B.1)+(B.2)]$ | 1,184,470,000 | 1,171,606,000 |
| 4. Average Uncollected Premiums $[(current)+(previous)/2]$ | | 1,178,038,000 |
| 5. Premiums Earned (Annual Statement Page 4, Ln 1) | | 3,600,526,000 |
| 6. Ratio to earned premium $[(B.4)/(B.5)]$ | | 0.327 |
| 7. Delayed Remission Of Premiums $[(B.6)*(A.1)]$ | | 3,181,409 |

C. EXPECTED LOSS AND LOSS ADJUSTMENT RESERVE

| | |
|---|---------------|
| 1. Expected Loss And LAE Ratio | 69.7% |
| 2. Expected Losses $[(C.1)*(A.1)]$ | 6,780,093 |
| 3. Loss Reserve | |
| a. Incurred Losses And LAE As Of December 31, 2006 (I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$) | 263,351,000 |
| b. Incurred Losses And LAE As Of December 31, 2007 (I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$) | 263,351,000 |
| c. Loss Reserves And LAE As Of Dec 31, 2005 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$) | 643,066,767 |
| d. Loss Reserves And LAE As Of Dec 31, 2006 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$) | 1,325,415,000 |
| e. Loss Reserves And LAE As Of Dec 31, 2007 (Annual Statement, Page 10 $[(Col 8)+(Col 9)]$) | 1,445,396,000 |
| f. Mean Loss Reserve 2006 $\{1/2*[(C.3.c)+(C.3.d)]\}$ | 984,240,884 |
| g. Mean Loss Reserve 2007 $\{1/2*[(C.3.d)+(C.3.e)]\}$ | 1,385,405,500 |
| h. Reserved To Incurred Ratio 2006 $[(C.3.f)/(C.3.a)]$ | 3.737 |
| i. Reserved To Incurred Ratio 2007 $[(C.3.g)/(C.3.b)]$ | 5.260680613 |
| j. Mean Reserved To Incurred Ratio $\{1/2*[(C.3.h)+(C.3.i)]\}$ | 4.499 |
| k. Estimated Reserve Discount | 0.0% |
| l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$ | 0.0% |
| m. $[(C.3.j) * (1.0 - (C.3.l))]$ | 4.499 |
| 4. Expected mean loss reserve $[(C.2)*(C.3.m)]$ | 30,503,818 |

D. NET SUBJECT TO INVESTMENT $[(A.6)-(B.7)+(C.4)]$

29,614,511

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM AND LOSS RESERVES

Year: 2007
 State: Arkansas
 Line of Business: Workers' Compensation
 Company: America First Insurance Company

E. AVERAGE RATE OF RETURN ON INVESTED ASSETS

| | Previous Year | Current Year |
|---|---------------|----------------|
| 1. Investment Income | | |
| a. Net Investment Income Earned (2007 Annual Statement, Page 4, Ln 9) | 336,895,000 | 836,644,000 |
| b. Net Investment Income Earned [(current)+(previous)] | | 1,173,539,000 |
| 2. Assets | | |
| a. Subtotals, Cash And Invested Assets (2007 Annual Statement, Page 2, Ln 10) | 6,839,294,000 | 7,452,871,000 |
| b. Investment Income Due and Accrued (2007 Annual Statement, Page 2, Ln 11) | 58,345,000 | 64,822,000 |
| c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)] | | 14,415,332,000 |
| 3. Average Rate Of Return [(E.1.b)/(E.2.c)] | | 8.1% |

F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)*(E.3)] 2,410,890

G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)] 24.8%

H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS

| | Tax Rate | Investment Income |
|--|----------|-------------------|
| 1. Bonds | | |
| a. U.S. Government Bonds (2007 Annual Statement, Page 12, Col 2, Ln 1) | 34.0% | 53,222,000 |
| b. Bonds Exempt From U.S. Tax (2007 Annual Statement, Page 12, Col 2, Ln 1.1) | 5.1% | 77,435,000 |
| c. Other Bonds (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 1.2) | 34.0% | 151,425,000 |
| d. Bonds Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 1.3) | 34.0% | - |
| e. Sub-Total | 34.0% | 282,082,000 |
| 2. Stocks | | |
| a. Preferred Stocks (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 2.1) | 13.8% | 6,514,000 |
| b. Preferred Stocks Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 2.11) | 0.0% | - |
| c. Common Stocks (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 2.2) | 13.8% | 18,426,000 |
| d. Common Stocks Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 2.21) | 0.0% | 12,572,000 |
| e. Sub-Total | 13.8% | 37,512,000 |
| 3. All Other Income (2007 Annual Statement, Page 12, Col 2, Lns 3 thru 9) | 34.0% | 23,768,000 |
| 4. Totals - Bonds, Stocks and All Other Income | 33.7% | 343,362,000 |
| 5. Total Investment Deductions (2007 Annual Statement, Page 12, Col 2, Ln 16) | 34.0% | 7,737,000 |
| 6. Net Investment Income Earned 2007 (E.1.a, (H.4)-(H.5)) | 25.5% | 335,625,000 |

I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER
FEDERAL INCOME TAX {(G)*[1-(H.6)]} 18.5%

J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER
FEDERAL INCOME TAX 18.5%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM AND LOSS RESERVES

Year: 2007
State: Arkansas
Line of Business: Workers' Compensation
Company: The Netherlands Insurance Company

A. UNEARNED PREMIUM RESERVE

| | |
|--|-------------|
| 1. Direct Premiums Earned For Calendar Year Ended December 31, 2007 (Page 14, Col 2) | 9,723,581 |
| 2. Mean Unearned Premium Reserve | |
| a. 2007 Earned Premium (Annual Statement Page 6, Col 4) | 721,713,000 |
| b. Unearned Premium Reserve As Of December 31, 2007 (Annual Statement Page 7, Col 5) | 217,366,000 |
| c. Unearned Premium Reserve As Of December 31, 2006 (Annual Statement Page 7, Col 5) | 193,568,000 |
| d. Mean Unearned Premium Reserve $\{[(A.2.b)+(A.2.c)]/2\}$ | 205,467,000 |
| e. Ratio To Earned Premium $[(A.2.d)/(A.2.a)]$ | 0.285 |
| f. Distributed Unearned Premium Reserve $[(A.2.e)*(A.1)]$ | 2,768,240 |
| 3. Percentage Total of Prepaid Expense (2007 Insurance Expense Exhibit) | |
| a. Commission And Brokerage | 4.5% |
| b. Taxes, Licenses And Fees | 6.2% |
| c. 50% Of Other Acquisition | 3.6% |
| d. 50% Of General Expense | 2.9% |
| e. Total | 17.2% |
| 4. Deduction for Federal Taxes Payable | 0.0% |
| 5. Dollar Total Of Prepaid Expense $\{(A.2.f)*[(A.3.e)+(A.4)]\}$ | 476,137 |
| 6. Subject To Investment $[(A.2.f)-(A.5)]$ | 2,292,103 |

B. DELAYED REMISSION OF PREMIUMS

| | Previous Year | Current Year |
|--|---------------|---------------|
| 1. Uncollected, In Course Of Collection (Annual Statement Page 2, Ln 12.1) | 241,592,000 | 174,916,000 |
| 2. Uncollected, Booked But Not Yet Due (Annual Statement Page 2, Ln 12.2) | 942,878,000 | 996,690,000 |
| 3. Total Uncollected Premiums $[(B.1)+(B.2)]$ | 1,184,470,000 | 1,171,606,000 |
| 4. Average Uncollected Premiums $[(current)+(previous)/2]$ | | 1,178,038,000 |
| 5. Premiums Earned (Annual Statement Page 4, Ln 1) | | 3,600,526,000 |
| 6. Ratio to earned premium $[(B.4)/(B.5)]$ | | 0.327 |
| 7. Delayed Remission Of Premiums $[(B.6)*(A.1)]$ | | 3,181,409 |

C. EXPECTED LOSS AND LOSS ADJUSTMENT RESERVE

| | |
|---|---------------|
| 1. Expected Loss And LAE Ratio | 69.7% |
| 2. Expected Losses $[(C.1)*(A.1)]$ | 6,780,093 |
| 3. Loss Reserve | |
| a. Incurred Losses And LAE As Of December 31, 2006 (I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$) | 263,351,000 |
| b. Incurred Losses And LAE As Of December 31, 2007 (I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$) | 263,351,000 |
| c. Loss Reserves And LAE As Of Dec 31, 2005 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$) | 643,066,767 |
| d. Loss Reserves And LAE As Of Dec 31, 2006 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$) | 1,325,415,000 |
| e. Loss Reserves And LAE As Of Dec 31, 2007 (Annual Statement, Page 10 $[(Col 8)+(Col 9)]$) | 1,445,396,000 |
| f. Mean Loss Reserve 2006 $\{1/2*[(C.3.c)+(C.3.d)]\}$ | 984,240,884 |
| g. Mean Loss Reserve 2007 $\{1/2*[(C.3.d)+(C.3.e)]\}$ | 1,385,405,500 |
| h. Reserved To Incurred Ratio 2006 $[(C.3.f)/(C.3.a)]$ | 3.737 |
| i. Reserved To Incurred Ratio 2007 $[(C.3.g)/(C.3.b)]$ | 5.260680613 |
| j. Mean Reserved To Incurred Ratio $\{1/2*[(C.3.h)+(C.3.i)]\}$ | 4.499 |
| k. Estimated Reserve Discount | 0.0% |
| l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$ | 0.0% |
| m. $[(C.3.j) * (1.0 - (C.3.l))]$ | 4.499 |
| 4. Expected mean loss reserve $[(C.2)*(C.3.m)]$ | 30,503,818 |

D. NET SUBJECT TO INVESTMENT $[(A.6)-(B.7)+(C.4)]$

29,614,511

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM AND LOSS RESERVES

Year: 2007
 State: Arkansas
 Line of Business: Workers' Compensation
 Company: The Netherlands Insurance Company

E. AVERAGE RATE OF RETURN ON INVESTED ASSETS

| | Previous Year | Current Year |
|---|---------------|----------------|
| 1. Investment Income | | |
| a. Net Investment Income Earned (2007 Annual Statement, Page 4, Ln 9) | 336,895,000 | 836,644,000 |
| b. Net Investment Income Earned [(current)+(previous)] | | 1,173,539,000 |
| 2. Assets | | |
| a. Subtotals, Cash And Invested Assets (2007 Annual Statement, Page 2, Ln 10) | 6,839,294,000 | 7,452,871,000 |
| b. Investment Income Due and Accrued (2007 Annual Statement, Page 2, Ln 11) | 58,345,000 | 64,822,000 |
| c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)] | | 14,415,332,000 |
| 3. Average Rate Of Return [(E.1.b)/(E.2.c)] | | 8.1% |

F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)*(E.3)] 2,410,890

G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)] 24.8%

H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS

| | Tax Rate | Investment Income |
|--|----------|-------------------|
| 1. Bonds | | |
| a. U.S. Government Bonds (2007 Annual Statement, Page 12, Col 2, Ln 1) | 34.0% | 53,222,000 |
| b. Bonds Exempt From U.S. Tax (2007 Annual Statement, Page 12, Col 2, Ln 1.1) | 5.1% | 77,435,000 |
| c. Other Bonds (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 1.2) | 34.0% | 151,425,000 |
| d. Bonds Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 1.3) | 34.0% | - |
| e. Sub-Total | 34.0% | 282,082,000 |
| 2. Stocks | | |
| a. Preferred Stocks (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 2.1) | 13.8% | 6,514,000 |
| b. Preferred Stocks Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 2.11) | 0.0% | - |
| c. Common Stocks (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 2.2) | 13.8% | 18,426,000 |
| d. Common Stocks Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 2.21) | 0.0% | 12,572,000 |
| e. Sub-Total | 13.8% | 37,512,000 |
| 3. All Other Income (2007 Annual Statement, Page 12, Col 2, Lns 3 thru 9) | 34.0% | 23,768,000 |
| 4. Totals - Bonds, Stocks and All Other Income | 33.7% | 343,362,000 |
| 5. Total Investment Deductions (2007 Annual Statement, Page 12, Col 2, Ln 16) | 34.0% | 7,737,000 |
| 6. Net Investment Income Earned 2007 (E.1.a, (H.4)-(H.5)) | 25.5% | 335,625,000 |

I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER
FEDERAL INCOME TAX {(G)*[1-(H.6)]} 18.5%

J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER
FEDERAL INCOME TAX 18.5%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM AND LOSS RESERVES

Year: 2007
State: Arkansas
Line of Business: Workers' Compensation
Company: Peerless Insurance Company

A. UNEARNED PREMIUM RESERVE

| | |
|--|-------------|
| 1. Direct Premiums Earned For Calendar Year Ended December 31, 2007 (Page 14, Col 2) | 9,723,581 |
| 2. Mean Unearned Premium Reserve | |
| a. 2007 Earned Premium (Annual Statement Page 6, Col 4) | 721,713,000 |
| b. Unearned Premium Reserve As Of December 31, 2007 (Annual Statement Page 7, Col 5) | 217,366,000 |
| c. Unearned Premium Reserve As Of December 31, 2006 (Annual Statement Page 7, Col 5) | 193,568,000 |
| d. Mean Unearned Premium Reserve $\{[(A.2.b)+(A.2.c)]/2\}$ | 205,467,000 |
| e. Ratio To Earned Premium $[(A.2.d)/(A.2.a)]$ | 0.285 |
| f. Distributed Unearned Premium Reserve $[(A.2.e)*(A.1)]$ | 2,768,240 |
| 3. Percentage Total of Prepaid Expense (2007 Insurance Expense Exhibit) | |
| a. Commission And Brokerage | 4.5% |
| b. Taxes, Licenses And Fees | 6.2% |
| c. 50% Of Other Acquisition | 3.6% |
| d. 50% Of General Expense | 2.9% |
| e. Total | 17.2% |
| 4. Deduction for Federal Taxes Payable | 0.0% |
| 5. Dollar Total Of Prepaid Expense $\{(A.2.f)*[(A.3.e)+(A.4)]\}$ | 476,137 |
| 6. Subject To Investment $[(A.2.f)-(A.5)]$ | 2,292,103 |

B. DELAYED REMISSION OF PREMIUMS

| | Previous Year | Current Year |
|--|---------------|---------------|
| 1. Uncollected, In Course Of Collection (Annual Statement Page 2, Ln 12.1) | 241,592,000 | 174,916,000 |
| 2. Uncollected, Booked But Not Yet Due (Annual Statement Page 2, Ln 12.2) | 942,878,000 | 996,690,000 |
| 3. Total Uncollected Premiums $[(B.1)+(B.2)]$ | 1,184,470,000 | 1,171,606,000 |
| 4. Average Uncollected Premiums $[(current)+(previous)/2]$ | | 1,178,038,000 |
| 5. Premiums Earned (Annual Statement Page 4, Ln 1) | | 3,600,526,000 |
| 6. Ratio to earned premium $[(B.4)/(B.5)]$ | | 0.327 |
| 7. Delayed Remission Of Premiums $[(B.6)*(A.1)]$ | | 3,181,409 |

C. EXPECTED LOSS AND LOSS ADJUSTMENT RESERVE

| | |
|---|---------------|
| 1. Expected Loss And LAE Ratio | 69.7% |
| 2. Expected Losses $[(C.1)*(A.1)]$ | 6,780,093 |
| 3. Loss Reserve | |
| a. Incurred Losses And LAE As Of December 31, 2006 (I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$) | 263,351,000 |
| b. Incurred Losses And LAE As Of December 31, 2007 (I.E.E., $\{[(Col 7)+(Col 9)+(Col 11)]*1,000\}$) | 263,351,000 |
| c. Loss Reserves And LAE As Of Dec 31, 2005 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$) | 643,066,767 |
| d. Loss Reserves And LAE As Of Dec 31, 2006 (Annual Statement, Page 11 $[(Col 5)+(Col 6)]$) | 1,325,415,000 |
| e. Loss Reserves And LAE As Of Dec 31, 2007 (Annual Statement, Page 10 $[(Col 8)+(Col 9)]$) | 1,445,396,000 |
| f. Mean Loss Reserve 2006 $\{1/2*[(C.3.c)+(C.3.d)]\}$ | 984,240,884 |
| g. Mean Loss Reserve 2007 $\{1/2*[(C.3.d)+(C.3.e)]\}$ | 1,385,405,500 |
| h. Reserved To Incurred Ratio 2006 $[(C.3.f)/(C.3.a)]$ | 3.737 |
| i. Reserved To Incurred Ratio 2007 $[(C.3.g)/(C.3.b)]$ | 5.260680613 |
| j. Mean Reserved To Incurred Ratio $\{1/2*[(C.3.h)+(C.3.i)]\}$ | 4.499 |
| k. Estimated Reserve Discount | 0.0% |
| l. Federal Taxes (Ratio To Reserves) $[(C.3.k)*0.34]$ | 0.0% |
| m. $[(C.3.j) * (1.0 - (C.3.l))]$ | 4.499 |
| 4. Expected mean loss reserve $[(C.2)*(C.3.m)]$ | 30,503,818 |

D. NET SUBJECT TO INVESTMENT $[(A.6)-(B.7)+(C.4)]$

29,614,511

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM AND LOSS RESERVES

Year: 2007
 State: Arkansas
 Line of Business: Workers' Compensation
 Company: Peerless Insurance Company

E. AVERAGE RATE OF RETURN ON INVESTED ASSETS

| | Previous Year | Current Year |
|---|---------------|----------------|
| 1. Investment Income | | |
| a. Net Investment Income Earned (2007 Annual Statement, Page 4, Ln 9) | 336,895,000 | 836,644,000 |
| b. Net Investment Income Earned [(current)+(previous)] | | 1,173,539,000 |
| 2. Assets | | |
| a. Subtotals, Cash And Invested Assets (2007 Annual Statement, Page 2, Ln 10) | 6,839,294,000 | 7,452,871,000 |
| b. Investment Income Due and Accrued (2007 Annual Statement, Page 2, Ln 11) | 58,345,000 | 64,822,000 |
| c. Total Assets Last 2 Years [(E.2.a)+(E.2.b)] | | 14,415,332,000 |
| 3. Average Rate Of Return [(E.1.b)/(E.2.c)] | | 8.1% |

F. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(D)*(E.3)] 2,410,890

G. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM [(F)/(A.1)] 24.8%

H. CALCULATION OF AFTER-TAX INVESTMENT RATE OF RETURN ON TOTAL INVESTED ASSETS

| | Tax Rate | Investment Income |
|--|----------|-------------------|
| 1. Bonds | | |
| a. U.S. Government Bonds (2007 Annual Statement, Page 12, Col 2, Ln 1) | 34.0% | 53,222,000 |
| b. Bonds Exempt From U.S. Tax (2007 Annual Statement, Page 12, Col 2, Ln 1.1) | 5.1% | 77,435,000 |
| c. Other Bonds (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 1.2) | 34.0% | 151,425,000 |
| d. Bonds Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 1.3) | 34.0% | - |
| e. Sub-Total | 34.0% | 282,082,000 |
| 2. Stocks | | |
| a. Preferred Stocks (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 2.1) | 13.8% | 6,514,000 |
| b. Preferred Stocks Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 2.11) | 0.0% | - |
| c. Common Stocks (unaffiliates) (2007 Annual Statement, Page 12, Col 2, Ln 2.2) | 13.8% | 18,426,000 |
| d. Common Stocks Of Affiliates (2007 Annual Statement, Page 12, Col 2, Ln 2.21) | 0.0% | 12,572,000 |
| e. Sub-Total | 13.8% | 37,512,000 |
| 3. All Other Income (2007 Annual Statement, Page 12, Col 2, Lns 3 thru 9) | 34.0% | 23,768,000 |
| 4. Totals - Bonds, Stocks and All Other Income | 33.7% | 343,362,000 |
| 5. Total Investment Deductions (2007 Annual Statement, Page 12, Col 2, Ln 16) | 34.0% | 7,737,000 |
| 6. Net Investment Income Earned 2007 (E.1.a, (H.4)-(H.5)) | 25.5% | 335,625,000 |

I. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER
FEDERAL INCOME TAX {(G)*[1-(H.6)]} 18.5%

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J. AVERAGE RATE OF RETURN AS A PERCENT OF DIRECT EARNED PREMIUM AFTER
FEDERAL INCOME TAX 18.5%



62 Maple Avenue
Keene, NH 03431
603-352-3221

July 31, 2008

Hon. Julie Benafield Bowman
Commissioner Of Insurance
Arkansas Insurance Department
1200 West Third St

Little Rock, AR 72201-1904

Attn: Mr. Bill Lacy, Director
Property and Casualty Division

RE: Workers Compensation
Rate/Rule Filing
PEERLESS INSURANCE COMPANY
NAIC #111-24198
THE NETHERLANDS INSURANCE COMPANY
NAIC #111-24171
AMERICA FIRST INSURANCE COMPANY
NAIC #111-12696
PEERLESS INDEMNITY INSURANCE COMPANY
NAIC #111-18333
Company Filing #2008-02389

Dear Mr. Lacy:

Effective September 1, 2008 for new and renewal business, we wish to file revisions to our Workers Compensation Program. With this submission we are filing to implement our workers compensation Terrorism and Catastrophe (other than Certified Acts of Terrorism) rates in accordance with the NCCI circular as outlined in the enclosed Actuarial Memorandum.

Enclosed, please find our revised Miscellaneous Values Pages along with the required filing forms.

Questions regarding the above filing should be directed to me at 603-358-4520 or 800-826-6189 ext. 84520.

Sincerely,

Tammy R. Blake
Sr. Analyst Regulatory Filing AM
E-mail: tammy.blake@libertymutual.com

ACTUARIAL FILING MEMORANDUM**July 21, 2008**

State: Arkansas
Line of Business: Workers Compensation
Companies: Peerless Indemnity Insurance Company
Peerless Insurance Company
The Netherlands Insurance Company
America First Insurance Company

Effective Dates: 09/01/2008 New Business and 09/01/2008 Renewal Business

General Comments:

With this submission, we are filing to implement our workers compensation terrorism and catastrophe (other than certified acts of terrorism) rates in accordance with circular number CIF-2008-05. Attached are our revised miscellaneous values pages with the revised rates and phraseologies.

Summary of Changes:

- Revise phraseologies for classes 9740 and 9741.
- Revise rates for classes 9740 and 9741.
- The estimated impact of this change is a 1.0% decrease in written premium.